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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:

USA Commercial Mortgage Company,

Debtors.

Case No. BK-S-06-10725-LBR

CHAPTER 11

**Stipulated Motion for Approval of
Compromise Settlement of James W.
Shaw IRA Proof of Claim**

USACM Liquidating Trust (the "USACM Trust"), by and through its counsel, Lewis and Roca LLP, and James W. Shaw on behalf of the James W. Shaw IRA ("Shaw"), file this stipulated motion seeking to settle Proof of Claim No. 10725-01618 against the estate of USA Commercial Mortgage Company ("USACM").

The USACM Trust and Shaw stipulate:

1. Shaw filed proof of claim No. 10725-01618 (the "Shaw claim") based upon a \$50,000 investment in Margarita Annex loan.
2. On June 15, 2011, the USCAM Trust filed it First Omnibus Objection to Proofs of Claim Based Entirely Upon Investment in the Margarita Annex Loan [DE 8462].
3. James W. Shaw sent a letter in response to the objection.



1 4. Pursuant to the ADR Agreement established under the Debtors' confirmed
2 Plan, on January 9, 2012, Geoffrey Berman, the Trustee, John Hinderaker, Counsel for the
3 USACM Trust, and Mr. Shaw met in Reno, NV. Both sides shared information and Mr.
4 Shaw fully explained the basis for his claim.

5 5. The Trustee has considered Mr. Shaw's Claim, the documents supplied by
6 Mr. Shaw to support his claim and the dialog between the parties during and before their
7 meeting about the claim. The Trustee believes, as a result of the information exchanged at
8 the settlement conference, that the Shaw Claim is invalid. That said, prosecuting the
9 disputed claim would require the Trust to undertake a mediation and potentially a trial.
10 The Trustee has no doubt that the attorneys' fees and expenses the Trust would incur to
11 challenge the claims in such litigation would easily exceed the monetary value to the Trust
12 beneficiaries ultimately derived from challenging the Shaw Claim.

13 6. Accordingly, the parties have agreed to settle the Shaw Claim 10725-01618
14 as follows:

- 15 • The Shaw Claim relating to the Margarita Annex Loan in the amount of
16 \$50,000 will be 10% allowed (\$5,000) and 90% disallowed (\$45,000).
17 Shaw will withdraw his response to the Margarita Annex Objection [DE
18 8462] and that objection will be deemed sustained in accordance with these
19 terms;
- 20 • Based upon the portion of Proof of Claim No. 10725-01618 allowed as a
21 non-priority unsecured claim (\$5,000), the Trust will make an immediate
22 4.92% distribution (\$246.00) to Shaw as his *pro rata* share of the funds
23 reserved by the Trust from the initial creditor distribution. All other funds
24 reserved for the Shaw Claim will be released from the Disputed Claims
25 Reserve and made available to the Trust for whatever purpose is appropriate
26 in the administration of the Trust;



- Shaw will share in future distributions pro rata based upon the his allowed claim of \$5,000;
- Any balance of proof of claim 10725-01618 shall be deemed disallowed; and
- Each party shall bear their own costs and attorneys' fees.

The Trustee and Shaw respectfully request that the Court approve their compromise agreement and grant the Motion. Notice to creditors and a hearing are not required under the confirmed Plan, Bankruptcy Code or Rules. A proposed form of order is supplied for the Court's consideration.

DATED: January 11, 2012.

LEWIS AND ROCA LLP

By: /s/ John Hinderaker (AZ 18024)

Robert M. Charles, Jr., NV 6593

John Hinderaker, AZ 18024 (*pro hac vice*)

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**AGREED, AND APPROVED AS
TO FORM AND CONTENT**

/s/ James W. Shaw

James W. Shaw on behalf of the James W. Shaw IRA

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